

_____ BILL NO. _____

INTRODUCED BY _____

(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A CLAWBACK PROVISION IN MUNICIPAL-OWNED AND COUNTY-OWNED LAND SALES, TRADES, AND EXCHANGES; AMENDING SECTIONS 7-8-2211, 7-8-2212, 7-8-2213, AND 7-8-4201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-8-2211, MCA, is amended to read:

"7-8-2211. Authorization to sell and exchange county property. (1) Boards of county commissioners

of this state have the power to sell, trade, or exchange any real or personal property, however acquired, belonging to the county that is not necessary to the conduct of county business or the preservation of its property.

(2) Whenever a county purchases equipment, as provided in 7-5-2301 and 7-5-2303 through 7-5-2308, county equipment that is not necessary to the conduct of the county business may be traded in as part of the purchase price after appraisal, as provided in 7-8-2214, or may be sold at public auction, as provided in 7-8-2212, in the discretion of the board.

(3) Any sale, trade, or exchange of real or personal property must be accomplished under the provisions of this title. In an exchange of real property, the properties must be appraised, and an exchange of county property may not be made unless property received in exchange for the county property is of an equivalent value. If the properties are not of equivalent values, the exchange may be completed if a cash payment is made in addition to the delivery of title for property having the lesser value.

(4) (a) Except for property described in subsection (5), any contract for the transfer of property must provide for a reversion of the property to the county for noncompliance with conditions attached to the transfer.

(b) The reversion must occur if the conditions of the transfer are not met within 3 years or another timeframe established in the contract, whichever is earlier.

(c) If a reversion occurs, any money paid to the county for the property is forfeited.

~~(4)~~(5) If a county owns property containing a historically significant building or monument, the county may sell or give the property to nonprofit organizations or groups that agree to restore or preserve the property. The contract for the transfer of the property must contain a provision that:

1 (a) requires the property to be preserved in its present or restored state upon any subsequent transfer;
2 and

3 (b) provides for the reversion of the property to the county for noncompliance with conditions attached
4 to the transfer."
5

6 **Section 2.** Section 7-8-2212, MCA, is amended to read:

7 **"7-8-2212. Notice of sale and public auction required for certain sales.** Unless otherwise provided,
8 if real or personal property to be sold is reasonably of a value in excess of \$2,500, the sale must be at public
9 auction at a site determined by the board of county commissioners after notice by publication as provided in
10 7-1-2121. Property described in 7-8-2211~~(4)~~(5) is not subject to the requirements of this section."
11

12 **Section 3.** Section 7-8-2213, MCA, is amended to read:

13 **"7-8-2213. Terms of sale.** (1) Except as provided in ~~7-8-2211(4)~~ 7-8-2211(5), a sale under this part must
14 be for cash or on terms that the board of county commissioners may approve, provided that at least 20% of the
15 purchase price is paid in cash. All deferred payments on the purchase price of any property sold must bear
16 interest at the rate of 6% a year, payable annually, and may be extended over a period of not more than 5 years.

17 (2) Subject to ~~7-8-2211(4)~~ 7-8-2211(5), a sale may not be made at public auction or to any school district
18 without public auction for less than 90% of the appraised value.

19 (3) Subject to ~~7-8-2211(4)~~ 7-8-2211(5), the title to any property sold under the provisions of 7-8-2211
20 through 7-8-2220 may not pass from the county until the purchaser or the purchaser's assigns have paid the full
21 amount of the purchase price into the county treasury for the use and benefit of the county."
22

23 **Section 4.** Section 7-8-4201, MCA, is amended to read:

24 **"7-8-4201. Disposal or lease of municipal property.** (1) Subject to the provisions of subsection (2),
25 the city or town council may sell, dispose of, or lease any property belonging to the city or town.

26 (2) (a) Except for property described in subsection (3), the lease or transfer must be made by an
27 ordinance or resolution passed by a two-thirds vote of all the members of the council.

28 (b) Except for property acquired by tax deed or property described in subsection (3), if the property is
29 held in trust for a specific purpose, the sale or lease must be approved by a majority vote of the electors of the
30 municipality voting at an election called for that purpose. The election must be held in conjunction with a regular

1 or primary election.

2 (c) (i) Except for property described in subsection (3), any contract for the transfer of property must
3 provide for a reversion of the property to the city or town for noncompliance with conditions attached to the
4 transfer.

5 (ii) The reversion must occur if the conditions of the transfer are not met within 3 years or another
6 timeframe established in the contract, whichever is earlier.

7 (iii) If a reversion occurs, any money paid to the city or town for the property is forfeited.

8 (3) If a city or town owns property containing a historically significant building or monument, the city or
9 town may sell or give the property to nonprofit organizations or groups that agree to restore or preserve the
10 property. The contract for the transfer of the property must contain a provision that:

11 (a) requires the property to be preserved in its present or restored state upon any subsequent transfer;
12 and

13 (b) provides for the reversion of the property to the city or town for noncompliance with conditions
14 attached to the transfer.

15 (4) This section may not be construed to abrogate the power of the board of park commissioners to lease
16 all lands owned by the city that were acquired for parks within the limitations prescribed by 7-16-4223."

17
18 NEW SECTION. Section 5. Saving clause. [This act] does not affect rights and duties that matured,
19 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

20
21 NEW SECTION. Section 6. Effective date. [This act] is effective on passage and approval.

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